

MEETING OF THE BOARD OF DIRECTORS
OF
CHERRYLAND ELECTRIC COOPERATIVE

April 25, 2011

The regular meeting of the Board of Directors of Cherryland Electric Cooperative was held at the Cooperative office in Grawn, Michigan on April 25, 2011.

Meeting was called to order at 9:58 a.m. by President Van Pelt.

Present: Tom Van Pelt, President
Terry Lautner, Sr. Vice President
Melinda Lautner, Secretary
Rick Deneweth, Treasurer
Betty Maciejewski
John Olson
Jon Zickert
Tony Anderson, General Manager
Kerry Kalbfleisch, Assistant Secretary

Mr. Mark Wilson, Chief Financial Officer; Mr. Kevin Cragg, Member Service Manager; Mr. Jim Carpenter, Line Superintendent; Mr. Nick Edson, Key Accounts Representative; Louis Grandpre, Intern; and Joe Townsend, Materials Management Supervisor, joined the meeting.

President Van Pelt reviewed the board agenda. A change was made to add the topic of NRECA Economic Development meeting as Item 11.4.

The March minutes were discussed. Motion by Mrs. Maciejewski, supported by Mr. Zickert and carried to approve the minutes of the regular board meeting held on March 21, 2011

Mr. Wilson, Chief Financial Officer, reviewed the financials. Audited financial statements were available for review.

Wolverine and Wolverine Power Marketing matters were discussed.

Mr. Zickert discussed the MECA Annual Meeting and additional discussion took place regarding the MECA/Wolverine Symposium.

Mr. Anderson reviewed the status of the remodel project. He requested the board to approve an additional \$50,000 to cover a new HVAC system in the warehouse offices as well as some additional plumbing in the main building. Motion by Mr. Olson, supported by Mrs. Maciejewski and carried, to increase the total project budget from \$143K to \$200K.

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Mrs. Kalbfleisch presented some policy changes to the board for approval. Changes were made to exempt policies #326 and #793 as well as management policy #424. These changes were made to update the policy on the flex plan due to the addition of the HSA plan. Also, work rules were revised to reflect past and current practice and to allow for consistency cooperative-wide.

Managers' reports were reviewed and discussed.

Mr. Cragg presented rate schedule changes to the board for approval. These changes included; 1) LP, LC&I, PSDS - Reclassify the most recent energy charge increase of 3.5% as a distribution service line item, 2) CWH – Close the "Controlled Water Heater" rate to new applicants, 3) C and LP – Eliminate the "Controlled Oil-Related" credit offered within these two rate schedules, and 4) C – Eliminate all language referencing unmetered accounts in this rate schedule.

Motion by Mr. Lautner, supported by Mr. Zickert and carried to approve the rate schedule changes as outlined by Mr. Cragg.

Motion by Mrs. Lautner, supported by Mr. Deneweth and carried to accept the management reports, including the safety report as presented.

Attorney Jenkins' report was discussed.

Upcoming meetings were discussed.

Mrs. Lautner asked the board to approve her attendance at the NRECA Economic Development meeting. Motion by Mrs. Maciejewski, supported by Mr. Olson and carried to approve Mrs. Lautner's attendance at said meeting.

The Board broke for lunch at 12:10 and reconvened at 12:43 p.m.

Mr. Van Pelt welcomed Eric Baker and Janet Kass from Wolverine Power Supply to the meeting.

Mrs. Kass gave a rate presentation to the board. After much discussion, Mr. Baker asked the board to pass a resolution approving the proposed rate changes and endorsing Wolverine's decision to file the revised Wholesale Rate Schedule at FERC for a July 1, 2011 effective date.

Motion by Mrs. Maciejewski, supported by Mr. Deneweth and carried to approve said resolution.

There being no further business to come before the board, it was moved to adjourn, supported and carried. Meeting adjourned at 1:49 p.m.

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Tom Van Pelt, President

Melinda Lautner, Secretary

We, the undersigned directors of the Cherryland Electric Cooperative, do hereby approve, ratify and conform to all respects of the above and foregoing minutes of this regular meeting of the Board of Directors of said Cooperative and each and every step taken and performed thereat.
